

## 2025 EMTA's 35th Anniversary Year

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The April 2, 2025 announcement by President Trump of “reciprocal” tariffs and subsequent trade developments led to significant market turbulence across the globe. As of publication, future US tariff policy remains unclear with an outlook of uncertainty for the foreseeable future.

EMTA Events during this period provided market participants with the opportunity to hear insights from industry analysts and investors, based on the information available on that date. As Trump, or other senior US officials, updated the markets with policy changes, estimates and forecasts were revised, and winners/losers reassessed.

This Bulletin includes summaries of each Event as it happened and reflects the information on trade policy as known to the market at that point. As US tariff arrangements evolve, EMTA will continue to provide forums for a discussion of this and other important variables affecting the EM markets.

#### Is Latin America a Winner in Tariff Wars?

Six weeks after the “pause” in Trump’s “reciprocal tariffs,” panelists at EMTA’s Forum on the Trump Effect on Latin America offered views on the US economic outlook, implications for Latin America, and how investors should factor the latest developments into their portfolio decisions.

(continued on [page 4](#))



### **EMTA's 35th Year - A Look Back:**

*EMTA was formally incorporated in December 1990 in the wake of the so-called LDC Debt Crisis and the pioneering Brady Bond restructurings by Mexico and Venezuela. To help mark its 35th anniversary, EMTA's Bulletin is featuring a series reprinting articles on the early periods of EMTA's history. Last Quarter's Bulletin included Bruce Wolfson's recollections of the informal trader meetings beginning in 1989 that led to EMTA's formation as the LDC Debt Traders Association. This issue features Tom Winslade's description of EMTA's early years, 1992 and 1993 (originally published in 2000), and Michael Chamberlin's retrospective (originally published in the 4th Quarter 2005 Bulletin) on the evolution of the EM trading markets and the growth and diversification of EMTA's activities during the period 1994 through 1998.*

[Click Here](#) for the full text of the Articles by Thomas Winslade (EMTA's first Executive Director) "EMTA's Early Years (1992 and 1993): EMTA Emerges as an Independent Trade Association for the Emerging Markets Trading Industry" and Michael Chamberlin (EMTA's succeeding Executive Director) "EMTA 1994-98: The Golden Age of EM Debt Trading?"

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## Ukraine Moratorium on Warrant Payments; Market Practice Recommended

**O**n May 30, 2025, Ukraine announced that it will not make any payments on its GDP-Linked Securities (Warrants) until the restructuring of the Warrants is complete.

[Click Here](#) for the Press Release.

Accordingly, EMTA, in consultation with market participants, recommended on May 30, 2025 that, effective June 2, 2025, all trades of the Warrants will include any unpaid payments (unless otherwise agreed).

[Click Here](#) for the Market Practice recommendation.

## Update on the New EM FX Industry Paradigm

Industry efforts, under the co-sponsorship of EMTA and ISDA, to update and modernize the *1998 FX and Currency Option Definitions* (the “FX Definitions”) are well underway, as well as is the effort to introduce and implement a new EM FX industry paradigm. There are still many steps to be taken to finalize and implement this new structure, and these are intended to be completed in tandem with the anticipated roll-out in 2027 of the newly overhauled FX Definitions.

Several ISDA–organized working groups (general, legal and implementation working groups, among others) have been discussing and making decisions on definitional issues since early 2024. EMTA remains closely in touch with its senior legal working group to highlight EM-specific issues in the context of the changes being proposed to various parts of the proposed updated FX Definitions. Examples of issues include the review of the disruption events and fallbacks that apply to non-deliverable FX and currency option definitions (e.g., price source disruption), discussions on calculation agent roles, and, importantly, the newly proposed structures for Annex A and for the EMTA Template Terms.

In tandem with the above specific work streams, much work has been done to advance the intended consolidation and integration of the EMTA Template Terms into the overall FX Definitions, with the goal of increasing efficiency for the industry in documenting and settling FX transactions, including NDF and NDO trades, under a general ISDA umbrella. Importantly, ISDA has committed to maintaining general and public industry access to the EMTA Template Terms. “Bridging” efforts are underway to ease the process, and these will include the side-by-side hosting of the EMTA Template Terms on both the ISDA and EMTA websites for an appropriate period. The integration (subject to working group discussions) may also extend to other EMTA documents (such as its Market Practices and User’s Guides) with the goal of bringing the relevant EM assets more fully under a single documentary architecture. These, going forward, will largely be managed by ISDA, all in the interest of industry efficiencies.

Equally important to the planned changes at a documentation level was the creation of a new industry structure to oversee FX market issues that arise from time to time. In January 2025, EMTA and ISDA introduced its new joint EMTA and ISDA FX committee. This committee, formed of senior FX trading personnel from the EMTA and ISDA memberships, will continue EMTA’s historical role in the industry to promote safe, efficient, orderly and transparent trading in the Emerging Market FX derivatives markets by responding to FX market events affecting the Emerging Markets and, critically, to identify appropriate industry responses to market disruptions. The new committee is subject to appropriate competition law principles and will reflect a balance of industry interests and expertise.

In addition, as part of the integration, changes to EMTA’s currency specific working groups have been made with these working groups being moved under the ISDA umbrella to facilitate the long-term management of the relevant documentation. Among other efforts, these groups will support the work of the newly formed FX committee in implementing its market recommendations.

EMTA staff has been closely working with ISDA on all transition matters and continues to be available to the EMTA Membership during the process to ensure the appropriate outcome and to ensure that the transition to this new organizational paradigm is as smooth as possible for the industry. EMTA Members may contact Leslie Payton Jacobs ([lpjacobs@emta.org](mailto:lpjacobs@emta.org)) with questions.

### Tariff Wars (continued)

The event was hosted by Deutsche Bank on May 22, 2025 in New York City. Barclays and BofA Securities provided additional support.

Moderator Drausio Giacomelli (Deutsche Bank) led the discussion and invited speaker thoughts on growth, as well as their current economic estimates. Gabriel Casillas (Barclays) confirmed that Barclays expects the US economy to expand by 1.3% in 2026 following the de-escalation on tariffs, from 0.6% after the original “reciprocal tariff” announcement. In addition, it now expects only one Fed rate cut in 2025 (at year-end) vs. two previously. Casillas informed attendees that Barclays maintains an average tariff rate of 14%, in line with most Wall Street banks.

As for Latin America, Barclays estimates that most of its economies will increase 2-2.5% this year, with a range of 1.8 to 2.5% in 2026 (with Mexico a notable exception at 0.7% in 2025, and 2% in 2026). Casillas emphasized the common theme in Latin America of recent fiscal deterioration due to Covid and then afterwards a series elections in many countries that made it difficult for governments to conduct fiscal consolidation efforts, although Argentina has made notable fiscal progress.

BofA Securities’ Carlos Capistran pointed out that his firm didn’t call for a US recession even after the “reciprocal tariff” introduction, and forecasts 1% growth by the end of 2025. “We never called for a recession because of the resilience of the US consumer, and also because of our estimates on where we thought tariffs would settle in the end,” he explained. BofA had predicted effective tariff rates would be 50% on China, 10% on most other countries, and 5% on Canada and Mexico, “and our calls are close to the current reality.” He added that BofA believes the US Fed will keep its policy rate unchanged in 2025.

A weaker dollar (BofA expects it to be at 1.17 per EUR at year-end) could be a boost to EM economies, in his analysis. The consensus was that Latin America would be a relative winner in the Trump trade wars, and some Latin countries would gain from trade diversion (e.g., Mexico from nearshoring, and Brazil may export more commodities to China). Factors for investors to consider included the political cycle—with a likely move to the right in several countries (exemplified by Noboa’s re-election in Ecuador), the failure of Latin America to attain the higher US and Chinese growth levels, and the large fiscal deficits in some Latin countries.

Given the current backdrop, how do investors incorporate these themes into their investment decisions, Giacomelli asked. Janet He (JPMorgan Asset Management) noted that her firm forecasts 0.6% US growth this year, with the probability of a recession falling to 35% post tariff de-escalation. “But no one really knows what will happen with the tariffs. We are in uncharted waters, so we avoid a lot of top-down views and are more focused on relative value calls,” she stated. EM would continue to be challenged by a “crowding out effect—who wants to buy EM at 6% when you can buy US 30-year Treasury debt at 5%, although there are still some exceptions.” He highlighted that consumers will be forced to absorb much of the tariffs, which will have an inflationary impact.

### Tariff Wars (continued)

Ana Jelenkovic (Marathon Asset Management) advised investors to analyze and distinguish between structural and cyclical forces. She revealed that, during the recent IMF meetings, she had spent most of her time with US policymakers, in order to sort through the goals of officials with “sometimes overlapping, sometimes conflicting, sometimes complimentary” visions. Once one can absorb the intent of policymakers, investors then need to consider policy constraints and implementation factors and assess how EM fits into this.

Generally, there were “not a lot of winners in slower overall trade,” she commented, and the uncertainty, including the apparent Fed withdrawal of forward guidance, was translating into lower risk allocation than usual. However, “Mexico has gone from a worst-case scenario in February to a best case in April, and the US role in the multilaterals could benefit Argentina and El Salvador.” Finally, she cited the effect of Trump policies on the Canadian election and questioned whether US actions could influence elections in Colombia or Brazil.

He seconded that Mexico could be a relative winner, with President Sheinbum proving pragmatic and a relative hawk on the fiscal side, assuaging investors’ initial fears. “Less US trade with China means more trade with Mexico, there is just no other way,” she proclaimed. He was less worried with the remittance tax than Capistran (who cautioned “it could be an issue”), citing strong post-pandemic remittances. She was less optimistic on Brazil (“we never seem to be too far from a fiscal crisis in Brazil, and elections are coming up”). Finally, He stressed that, in some Latin countries, “social conditions don’t seem right for fiscal consolidation.”

Capistran added to the relative optimism on Mexico, declaring that, “near-shoring is alive and well, and is what keeps Mexico going.” Although the country was likely to enter a recession, and even 5% tariffs represented a negative shock, it still retains, with Canada, the lowest tariff access to the US market, and represents the most cost-effective location to build automobiles and other big-ticket items. Mexico has demonstrated willingness to impose tariffs on China in order to remain firmly in the North American camp, although Pemex’s large debt stock is a cause for concern. “The government is just burning money, this is unsustainable...when does it stop?”

As the USMCA comes up for renewal, Trump has two goals according to Casillas—to add a new chapter on US national security so as to avoid relying on the goodwill of Mexico’s leaders, and to prevent China’s use of Mexico as a transshipment point. The latter can be addressed by reinforcing rules of origin, he said. But Trump should look at the example of Apple’s attempt to move production from China to India; “Chinese imports can’t be changed overnight.” Casillas seconded earlier opinions that Argentina and El Salvador would be beneficiaries of their leaders’ personal relationships with Trump and underscored that Argentine President Milei has thus far kept up his approval ratings despite austerity measures.

## German Stimulus, Trade War Developments Debated in Frankfurt

BofA Securities' David Hauner moderated EMTA's Forum in Frankfurt, reviewing the US-China trade war, geopolitics, Germany's economic stimulus and much more. The event was hosted by Union Investment on Thursday, May 15, 2025, with additional support provided by BofA Securities, Deutsche Bank and Fitch Ratings.

Hauner started the session by inviting thoughts on how the trade wars would evolve. "The most challenging questions are the timeline and the magnitude," replied Union Investment's Christian Wildmann, pointing out that both the initial size of the Trump tariffs, and their quick 90-day suspension, had surprised market participants. The market now seemed relieved that both high and low boundaries have been established, though challenges such as sector-specific tariffs and transshipping remain, and "there could be more volatility."

Wildmann contrasted the pressure on Trump, who will face midterm elections in 2026, to that on one-party state China. He expressed surprise that Beijing had not better exploited this distinction to its benefit. However, Wildmann underscored that the 90-day relief period was likely insufficient to achieve meaningful progress.



Allianz Global Investors' Andreas Hahner commented on geopolitical concerns. Hahner believed Trump's view on Putin may have recently evolved, so the American president's push for lower oil prices is a logical way to increase the pressure on Russia. (However, secondary sanctions on Russian oil were unlikely "because, for Trump, China is the main focus, not Russia.")

Germany's election of Merz "puts a floor to global uncertainty" that has resulted from Trump policies, affirmed Deutsche Bank's Christian Wietoska. There has been a shift in mindset, with Merz pushing Germany to make historic decisions. However, Wietoska cautioned that the impact of German fiscal stimulus won't be felt until 2026. Declining oil prices will allow the ECB to cut rates below 2%, "although my base case is that rates won't go down to 1.5% until we have more clarity on the growth front." These factors were likely to prevent some CEE layoffs that would have occurred otherwise.

Erich Arispe (Fitch Ratings) provided a credit rating overview. The EM ratings outlook was now fairly balanced, with only LatAm maintaining an overall positive outlook—mostly due to smaller LatAm economies that have reduced debt. Slower US growth was a threat to all EM economies, he added. The three CEE countries currently boasting positive outlooks were Slovenia, Serbia and Bulgaria (due, respectively, to reforms and fiscal consolidation; fiscal consolidation and stronger growth; and the euro adoption process), while Romania and Georgia maintained negative outlooks. Arispe noted that his team had been assessing the impact of a potential Ukraine settlement, while cautioning that, depending on the terms, it could result in the continuation of elevated geopolitical risks and concerns.

### Frankfurt (continued)

Wietoska offered his perspective on rates and FX. Deutsche's year-end euro-dollar forecast stood at 1.20, and he expected the US FOMC would not move to cut rates until December. Slower growth in EM countries could prompt local rate cuts, and a potential decoupling from core rates.

The panel addressed the upcoming Romanian election, which was won by a centrist candidate in a surprise result three days after the Forum. Arispe reminded the audience of the annulation of a previous vote, and the issue of election eligibility. He ventured that, if a far-right candidate won the vote, the market might react negatively, with spreads moving in a direction that "was not compatible with an IG-rated country."

Wietoska stressed that the voter participation rate would prove critical, and an emergency rate hike was an option in the event of market instability. His base case, before the election result, was that Romania would be downgraded within six months.

The panel was divided on Turkey. Hahner considered it "too risky at the moment as Finance Minister Simsek is under pressure," while Wildmann praised the Central Bank for "doing the right things, for the wrong reasons, in order to stabilize the currency" in the aftermath of the main opposition leader's arrest. Wietoska feared that long-term investment has been deterred by political factors, while, on the positive, side, inflation continues to fall and Turkey benefits from global geopolitics ("as long as Erdogan doesn't overplay his hand on Israel or Syria").

Hahner was "cautious" on South Africa, because of domestic politics and pressure from Trump. Wildmann suggested gold prices may be "toppish." Despite the fiscal challenges and underperformance, Wietoska was positive on the country, and expected inflation will fall to 2% in the next couple of months.

## EM Corporate Asset Class Evolves to More IG-Rated, Less Asian-Focused

Outstanding debt in BofA Securities' EM corporate index peaked at US\$1.8 trillion in 2021, and now stands at US\$1.5 trillion, Kay Hope (BofA Securities) noted in introductory remarks at EMTA's EM Corporate Bond Forum in London. Hope emphasized that IG-rated issues now comprise 70% of the asset class, compared to 50% a decade ago; and Asian corporates have declined from over half of the index in 2021 to around 43% today. Given these developments, Hope asked speakers how they envisioned the asset class evolving.



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A decline in Chinese and Russian corporate issuance has been offset by increased GCC issuance, observed Michal Bar (PIMCO). She added that EM corporates have increasingly been issuing in local markets, which has improved asset class resilience while having a negative impact on dollar-market liquidity. Bar was optimistic on increased institutional demand for EMC paper.

Santander's Declan Hanlon believed that interest in the EMC asset class could strengthen as large asset managers look to de-risk their global portfolios. "There is room for a shift towards EM to take place," he affirmed, while pointing out that LatAm corporates were more equally divided between IG and HY issuers. Hanlon also commented that the "private credit market is bubbling up, and, though still a small subset of investing for Latin America so far, there is a growing interest in capital deployment."

Ezequiel Fernandez (Balanz Capital) acknowledged that less-than-stellar LatAm GDP over the past decade hasn't helped the LatAm corporate markets. However, the removal of capital controls in Argentina might pave the way for more dollar-denominated Argentine corporate issues.

Agnese Melbarde of IVO Capital Partners considered the EMC asset class to be healthy and is now more resilient, with less need for debt issuance. The home biases of US or European IG portfolio managers, who find it tough to justify a less than 100bps spread pickup into EM, posed a challenge to the EMD industry; however, spread differentials are much more attractive since April in her view.

Commenting further on the increased role of GCC paper, Bar stated that select high-grade GCC issues are a "great fit" for insurance companies, especially with their longer duration. They could also offer trading opportunities during episodes of increased geopolitical risk, or relative value trades between sukuk vs. conventional, and between quasi-sovereigns/corporates vs. sovereigns in some GCC markets.

### Corporate (London) (continued)

For Melbarde, “compelling” opportunities could still be found in Turkish corporates, although she advised caution following the arrest of the CHP leader. Melbarde cited improvements in the current account, which made dwindling FX reserves less of a concern to foreign investors than in the past. Bar concurred that the pivot to orthodox economic policies had permitted renewed market access for Turkish corporates (and allowed for the extension of maturities as well as for issuance from debut issuers). “Overall, it has become a healthier market, but credit selection is key,” she concluded. Moderator Hope underscored Türkiye’s “strong record of not having corporate defaults.”

What was the impact of tariffs on LatAm corporates? Hanlon argued that volatility would decline, “and in six months we will have less talk on tariffs.” While the market has breathed a sigh of relief with the 90-day pause, he recommended that investors “think what it really means...the vast majority of US businesses are small companies that import goods from China and, with payables cycles of at least 90 days, this stay of execution by the US administration is not likely to solve near-term problems with supply and demand.” Hanlon advised that Brazilian steel producers would likely suffer most – in an extreme tariff interpretation – while LatAm protein producers would likely benefit. Overall, the greatest risk to LatAm corporates was a US recession and a material slowdown in global growth, which could hurt the export-oriented LatAm region, he asserted. Melbarde cited the tariff exemptions on many Mexican products, while voicing concern on slower Mexican growth.

Fernandez called attention to upcoming elections in Argentina, Brazil, Chile and Colombia over the next 18 months. “They may be the largest drivers of LatAm returns,” he stated. There was the possibility of a swing to the center-right, most likely in Colombia, but possibly also in Brazil. Hanlon added that the upcoming votes represented “the least scary scenario in a while.”

With the news the previous day of reduced US and Chinese tariffs, “there is some reason for optimism on China” now that the de facto embargo of a 145% tariff rate on Chinese imports has been removed, according to Bar. “Left tail risks have been clipped,” as the possibility of a US recession has decreased.

Hope explored the predominate role of commodities in the EMC space. Fernandez ventured that mining could be a more sustainable industry than fossil fuels. He reasoned that, with factors such as China’s swing towards electric vehicles, demand for oil could soon peak. Melbarde highlighted the importance of oil service companies, which may not depend on oil pricing. Bar believed that opportunities in certain EM oil companies still existed at the US\$55-US\$60 per barrel level.

The Forum took place on May 13, 2025. BofA Securities hosted the event, with additional support provided by Balanz Capital and Santander.

## Midterm Elections Will Serve as a Crucial Test in Argentina

The midterm elections will be a crucial test for the Milei government, speakers at EMTA's Forum in Buenos Aires on May 6, 2025 concurred. Panelists at the Forum also discussed the IMF agreement, the effects of the trade wars, and prospects for Argentina's commodity exports, among other topics. PPI sponsored the event, which was conducted in Spanish, with additional support provided by A3 Mercados, Fitch Ratings and StoneX.

In the moderator seat was PPI's Pedro Siaba Serrate, who first asked for thoughts on global macroeconomic uncertainty and possible spillover effects on Argentina. In response, Pedro Cavallo (Schroders) acknowledged that he had expected a repeat of Trump's first term, but that the US president is acting much faster this time, unhindered by congress. "The trade war is not a negotiating tool, it is a policy, and it will go on for a while," he stated. The market will eventually come to accept this new paradigm, which is the end of American exceptionalism. The carryover to Argentina could be a market move to reduce risk exposure, "and this won't help us," he concluded.



Adopting a perhaps more optimistic tone was Juan Miguel Salerno (VC Vinci Compass), who emphasized that, "this represents the biggest structural change we have seen in 30 years." Argentina was "a long way" from the trade conflicts and was endowed with in-demand resources such as critical minerals, lithium and gold. "Despite the overhang of a 'risk-off' sentiment, Argentina is in a good position," he affirmed. Salerno also referred to opportunities in Brazil in the run-up to that country's next elections, including higher real rates than in Argentina.

Erick Pastrana of Fitch Ratings addressed oil pricing. "Extraction costs in Argentina are the most competitive in the region, and, even at US\$55 or US\$60 a barrel, we don't see a change in Argentine corporate credit profiles." However, the effects of low oil pricing on foreign debt remained to be seen.

The end of the crawling peg currency regime was a welcome development for AdCap Asset Management's Paula Gandara, who also expressed optimism for the stability brought about by the new IMF program. StoneX's Ramiro Blazquez reported that several of his clients expressed concern during investor meetings at the IMF over recent statements by Milei and their monetary policy implications.

Several speakers agreed that the Central Bank would miss its FX reserves target by the end of the 2Q. Salerno added that, "I'm skeptical about the plan to get more dollars from people into the system, I don't expect a repeat of the amnesty on repatriation of dollars like last time."

### Buenos Aires (continued)

Pastrana reasoned that oil exports could help build reserves, and was likely to spearhead growth, although inflation, the midterm elections and the FX rate remained risks. He observed that any eventual upgrade to the B level would attract dollar inflows and indicate less country risk. [Editor's note: Fitch upgraded Argentina from CCC to CCC+ shortly after the Forum.]

Panelists stressed the importance of the upcoming elections. For Pastrana and others, it would be a key indicator of confidence in the Milei administration. Gandara also highlighted the provincial elections, which could shed light on the national mood in the runup to the midterms. "Milei won't have total autonomy in any case...and he will need dialogue with others," she stated.

Cavallo considered it premature to build an investment case based on the midterm results; even if the LLA performed well, it would still need to build alliances with other parties. Blazquez suggested that a surprise national alliance of the LLA and the PRO would be a "super sweet development." Salerno opined that, if the "atomized" opposition could join forces, it could pose a challenge for the administration; "a lot rests on their continued division."

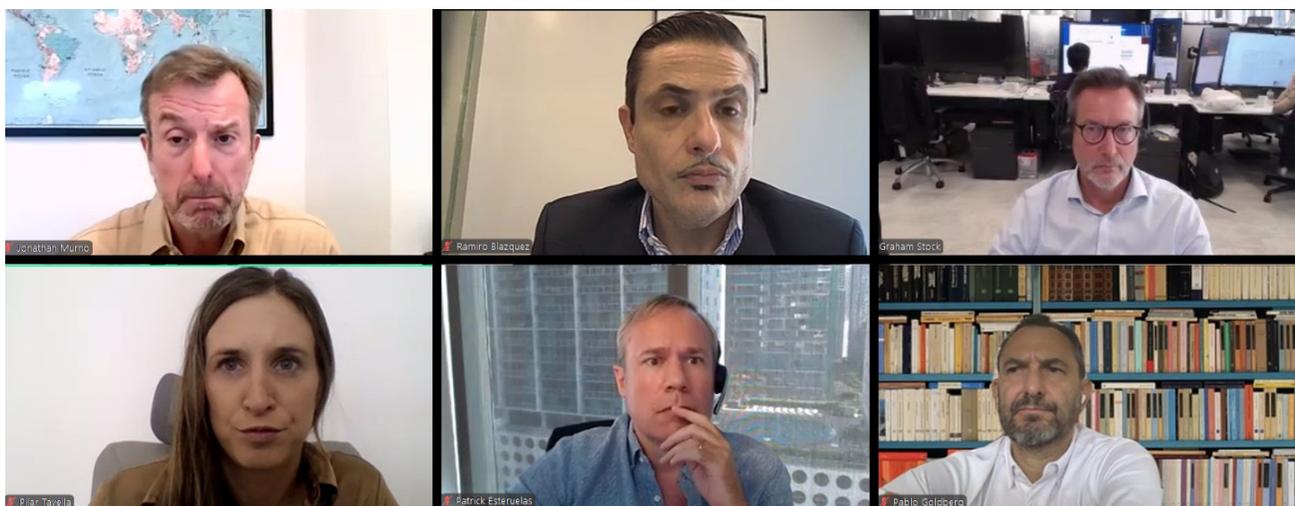
When would Argentina try to tap the capital markets? "If you do the right things, then good things happen," replied Gandara. She stressed that Argentina would need to be clear about its long-term plans, and that they would need to be sustainable, but, if so, previous bondholders could return. "However, current conditions are not right, it would be counterproductive to force it," she said.

Blazquez declared that the country first needed to get through the midterm elections, and "prove it is a normal country that pays its debt and doesn't impose capital controls." He added that the market would want to see further progress on reforms and reducing taxes. Cavallo commented that, when Argentina's country risk fell, it would dip its toes back in the market. "Sooner or later the market will come back if Argentina's economic conditions improve." He reminded attendees of the positive surprise of the pre-election removal of capital controls.

Pastrana believed that there would remain appetite for Argentine corporate debt as long as investors felt comfortable with their financing capabilities. The inflow of dollars from Vaca Muerta would be a key driver for many Argentine corporates, and many foreign investors would consider small producers, although country risk would continue to factor into their investment decisions.

## President Noboa Should Focus on Economy, Not Constitutional Changes, Say EMTA Webinar Speakers

“Ecuador’s presidential election is one of the craziest rollercoasters I can remember in many years,” proclaimed moderator Ramiro Blazquez (StoneX) at the outset of EMTA’s Webinar on Ecuador’s Post-Election Outlook on April 16, 2025. Blazquez subsequently moderated a discussion focusing on Ecuador’s post-election governability, its fiscal outlook and the possibility of an external debt restructuring.



Blazquez cited indications that the new administration would pursue constitutional reforms, despite it currently lacking the votes to effectuate any changes. Would the president be able to get commitments from other legislators, “and at what fiscal cost?”

Patrick Esteruelas (EMSO Asset Management) first pointed out that Noboa’s margin of victory was much larger than expected, and that “slowly but surely Noboa has transformed himself from a weak president to potentially one of the strongest.” The pathway to a majority in the national assembly was “wide open and relatively easy to accomplish, since, with the fragmented system, we can expect some legislators to jump ship or declare themselves independent...and some are already doing so.”

“Noboa made no secret he wants to reform the constitution,” Esteruelas noted. Regardless of whether this was attempted via a special assembly or a referendum, “this would keep Ecuador in campaign mode for additional months, and the country can’t afford that.” Instead, Esteruelas urged Noboa to focus on “how to get the IMF deal back on track.”

RBC BlueBay Asset Management’s Graham Stock agreed that there was “no doubt” that Noboa could build a legislative majority. “But how he uses that is critical.” Stock seconded that Noboa prioritize “putting the fiscal on a stable footing, and not get distracted from the task at hand.”

“The opposition will now be in crisis mode since Gonzalez has lost twice,” declared Pilar Tavella (Balanz Capital), who also anticipated Noboa putting together a legislative majority. Tavella was “very optimistic” on governability, with the worst-case Noboa employing the decree option, *á la Milei*.

### Ecuador Webinar (continued)

Pablo Goldberg (BlackRock) emphasized that “for the first time in a long time, long-term projects can be put in place,” as Noboa would not be subject to the impeachment threats faced by previous leaders, given the fact that he carries close to a simple majority in the Assembly. Several “game changers” were now possible, which could spark renewed confidence by private investors and FDI inflows. “Politics in Ecuador are very volatile, but this time the starting point is much better; if Noboa can address the security situation, he might get the political space to deliver on some of the unpopular reforms,” Goldberg stated.

Esteruelas reminded viewers that the VAT hike and progress on fuel subsidies were made acceptable because Ecuadorians expected the funds to be used to increase security. “The ability to continue these sorts of reforms without making progress on security would be more limited,” he warned. Esteruelas contrasted Ecuador’s crime situation with that in El Salvador—“it’s more recent in Ecuador, and it is transnational in nature, involving Mexican and Albanian actors; it could take months or years to dismantle.”

Blazquez drew attention to the country’s lackluster growth, and the “significant” external debt payments due next year. How should Ecuador address its fiscal gap? Stock underscored that oil market weakness won’t help. “It’s absolutely critical that they strengthen their IMF program,” he affirmed. The announcement of a credible finance team would be a first indication of Noboa’s direction. Stock noted that Noboa has been able to avoid any specific political alignment thus far, “so we don’t really know if he is center-right, we don’t really know to what extent his heart is in it.”

Tavella concurred that “we have seen some positive signals, in particular the fiscal adjustment that took place during an election year.” In her analysis, the 2025 financing gap is manageable, and market access was possible in 2026. The risks included lower oil prices, and a drop in Noboa’s approval ratings as the fiscal adjustment is carried out.

What could Ecuador do to avoid a restructuring? Tavella advised that, to ensure IMF disbursements, fiscal adjustments may need to be front-loaded in 2026-27. Goldberg reasoned that subsidy reductions may be easier in the current climate of lower prices, while Noboa may follow Milei’s lead in currying favor with Trump. “The way out of the fiscal situation is growth,” he concluded, adding that the increase in non-traditional exports “wasn’t too bad,” and suggesting there could be room for increased cooperation with indigenous groups in the extractive sectors if there was a greater return to those communities and environmental issues were addressed.

Several speakers deemed market expectations of a restructuring as overly pessimistic. Stock estimated a restructuring as a 35-40% probability; even if so, “recovery values can still be elevated,” with a maturity extension more likely than a principal haircut. “But we would want to see that the time be put to good use, and the policy choices will be the right ones.” Tavella maintained that the government was seeking to avoid a restructuring, but, if it failed to do so, she also foresaw a “soft restructuring” scenario, characterizing it as a liquidity issue, rather than a solvency problem.

“A repeat of the 2020 restructuring is completely off the table” stressed Esteruelas, who added that a step-up coupon should reach 8% “or higher.” A maturity extension of 3-5 years would give Noboa ample time for fiscal consolidation. Esteruelas speculated that, should the country need to restructure, recovery value could be in the low to mid 50s.

The Webinar was sponsored by StoneX, with additional support provided by Balanz Capital.

## Following Reciprocal Tariff Pause, Speakers Discuss Impact on Sub-Saharan Africa

Just days after the “pausing” on Trump’s Reciprocal Tariffs, speakers at EMTA’s Forum on Sub-Saharan Africa (SSA) on April 10, 2025 offered assessments on the region’s economic outlook. Rand Merchant Bank sponsored the event, with additional support from Tellimer.

Samantha Singh-Jami, Rand Merchant Bank’s Johannesburg-based Head of SSA Research (ex-South Africa) served as the event’s moderator. Singh-Jami first asked for views on how tariffs and changes in foreign aid policy were impacting SSA credits.



“Clearly this has been a turbulent week, but the good news is that most of SSA has very low exposure to the US; US trade represents less than 2% of GDP for most SSA countries in the industry indices, except for South Africa,” noted Tellimer’s Patrick Curran. He added, however, that SSA external financing gaps would now be filled at higher interest rates, and that the global capital markets are once again largely closed to SSA at the moment. This may require additional multilateral or bilateral funding for many SSA states.

“Will there be a material impact on growth—we will soon find out,” reasoned Todd Petersen (PGIM). He pointed out that market participants had been waiting to see if the US would fill the void created by decreased Chinese involvement in SSA. For him, key themes included an increased focus on domestic financing of fiscal deficits, as well as a divergence in fortunes between oil exporters and importers.

“The loss of USAID funding is more important than US tariffs for SSA—for example it might be 3 or 4% of Mozambique’s GDP...and in many cases its impact may only be felt later, when HIV/AIDS and Ebola cases rise,” declared Nuveen’s Izzet Yildiz, who doubted that other donors would replace US assistance. Unoma Okolo (Artisan Partners) hoped this would serve as a wakeup call for countries to focus more on improved healthcare and education; “for example, the Ghana cathedral—that money could have been used for social services.”

Okolo advised investors to keep an eye on US involvement in the IMF and World Bank. “People thought withdrawing was a crazy idea, and it could be catastrophic for many African countries, but this was mentioned in the Project 2025 blueprint,” she stated. While her base case was for continued US participation, leverage could be applied to “non-friendly countries.” Petersen considered a US withdrawal to be a tail risk, “but one that would be super impactful.”

### SSA (NY) (continued)

On upcoming elections, Okolo expected that President Ouattara would likely be re-elected in a noisy Ivorian election, “but what happens after him?” The election in Benin would also be noisy; “there is a lot of local discontent.” While Nigeria’s next election isn’t until 2027, the explosion of the Trans-Niger pipeline should serve as a reminder of the many issues that need to be addressed.

Despite the recent tension in South Africa’s government of national unity (GNU), both the ANC and the DA have incentives to maintain the ruling coalition, according to Yildiz. The fight over the VAT increase was due to anti-GNU hardliners in both camps, and he hoped that “more rationale voices will prevail.” He cautioned that investment could decline if faith in the coalition government dwindles. Petersen anticipated a muddle-through scenario, with growth around 1%.

Turning to Kenya, Curran anticipated a less lenient IMF stance than in the past. He feared that the country could be headed towards “a slow train wreck if they miss their fiscal targets; there is a big chance they won’t be able to deliver.” He also voiced concern that the market had in the past been too sanguine in its assumption of a successor deal being reached.

While often skeptical on Nigeria in the past, Okolo praised the country for its “quite positive” reform momentum. Yet one question remained—would orthodox policies continue if oil dropped to US\$55, “or would they panic?” The fiscal accounts were key and “we need to see them do more reforms to increase revenues long-term.” In her assessment, the Central Bank would not lower rates near-term to prevent a collapse of the naira.

Petersen opined that, despite political reluctance, Angola would eventually turn to the IMF in order to avoid a default. He calculated that Luanda has almost sufficient funding to make 2025 debt payments; however, this could involve tapping sovereign wealth funds, “and it’s not like they would be wanting to use that.” Should oil drop below US\$60 for a sustained period of time, it might be “really cutting it thin” and they’ll need an IMF program to meet debt service obligations.

Ghana would ultimately reach an agreement with the IMF because the country had no other options, Yildiz predicted, a week before such an accord was inked. High gold pricing has helped the metal sector surpass the country’s cocoa and oil sectors, and Ghana should be able to service its debt for the next two years.

Curran suggested that Zambia’s underperformance had been unjustified. “Yes, copper is down lately, but it is basically back to where it started the year.” Curran expected copper production to be in line with, or potentially exceed, IMF projections (assuming no new taxes and the resolution of power issues), but he conceded that a global recession remained an overhanging risk for Zambia’s macro-linked bonds.

Would Senegal default? Okolo feared this was possible, and was disappointed by the lack of progress on fiscal issues. She saw a large fiscal gap remaining, even if it was possible to increase tapping the domestic market.

Petersen highlighted Mozambique’s political discord. “If growth slows, does this amplify tensions?” he asked. Willingness to pay might also be a consideration, given the country’s previous default.

## The Day After Trump Reciprocal Tariffs, Panelists Look for Frontier Opportunities

A capacity crowd attended EMTA's Forum on the Frontier Markets on Thursday, April 3, 2025 in London, despite the previous evening's announcement of Trump's "reciprocal" tariffs. Speakers offered their reactions, as well as thoughts on macro fundamentals, ratings trajectories, and on specific frontier countries. William Blair hosted the event, with additional support provided by JPMorgan and S&P Global Ratings.

Yvette Babb (William Blair) pointed out that the tariffs had exceeded market expectations, and asked for speaker assessments. Where could opportunities in Frontier credits still be found?

JPMorgan's Ayomide Mejabi confirmed that the tariff levels had exceeded his firm's forecasts, with Asia and Europe bearing the brunt. "Right now, it would be brave to 'buy the dip,' and investors should embed uncertainty into their strategy," he advised. Nonetheless, the "direction of travel is clear for US policy direction." Mejabi suspected that Street probabilities of a US recession would rise (his firm did so several days later). He recommended frontier local debt as a possible silver lining, while speculating that the EMBI could widen to 500 or 600 bps if the US fell into a recession.



Giulia Pellegrini (Allianz Global Investors) highlighted that, while the high duties on Asian exports had been expected, Sub-Saharan African (SSA) tariff levels had been a surprise; and oil exporters were facing the "double whammy" of growth concerns and higher OPEC+ production. "I don't know if this derails SSA stories—there are still decent places to hide—but it will again test asset class inflows, which has been an issue for three years." She seconded a constructive view on frontier local credits.

Addressing potential policy changes at the multilaterals under Trump, including reduced aid, Pellegrini opined that, short-term, most frontier countries would avoid a crisis, while longer-term, creditworthiness might suffer because of the technology transfer and other non-cash components of assistance. A reduced US role would "allow China to step into the vacuum."

Anne Margrethe Tingleff revealed that Global Evolution "had had a very long meeting, but we don't really trade on actions like today; we invest in countries that we like fundamentally on a long-term basis." She would monitor tariff-reduction negotiations before reducing frontier exposure.

Providing a ratings perspective, Ravi Bhatia (S&P Global Ratings) underscored that the frontier country trajectory had been positive, with "significantly more" upgrades than downgrades in EM and frontier countries in 2024. He listed Benin, Togo, Egypt, Morocco and South Africa as countries now with positive outlooks. While Frontier states may generally have greater Chinese than US exposure, most remained vulnerable to a tariff-induced global slowdown.

### Frontier (London) (continued)

AGOA duty-free access to the US for eligible SSA countries “seems to be pretty much gone, and the cutting of USAID programs will have a fiscal impact,” Bhatia added. As the EU and UK focused more on defense, and as aid is cut by many countries, it was unlikely that others would step in to fill the void, he reasoned. Possible silver linings included those countries with limited exposure to the US, as well as gold exporters and the likely movement to greater self-sufficiency.

Babb steered the discussion to specific Frontier states. Mejabi praised Nigerian officials for “a painful adjustment that took a lot of political will.” He expected the FX rate to adjust in the future, with convertibility risk in the past.

Tingleff remained comfortable investing in Kenya’s local paper due to high real rates and market liquidity. Investors should pay attention to election spending in Zambia, and convertibility risk in 2026. Gold pricing made the Ghanaian market worth a look, “despite past scars.”

Pellegrini acknowledged widened spreads on Senegal debt, “but we think all the bad news is out.” Mejabi did not anticipate a restructuring, but ventured that October was probably the earliest Senegal could reach an IMF deal.

Views on Mozambique varied. Pellegrini was in the optimistic camp, an opinion “not shared” by moderator Babb. Bhatia expressed concern over “uncertain and possibly delayed” gas revenues. Funding to pay its 2031 bond amortizations was not clear, though “they have just enough to pay the coupons.” Issues included the disputed election, the northern insurgency, protests and border closures, “so there is a lot of fiscal pressure and macro dislocation.” On the positive side, there were indications of reduced political tension, “and the world can’t rely on Qatari gas alone.”

Mejabi estimated the chance of a Ukraine ceasefire as approximately 50%, which represented a drop from earlier optimism. It would likely be “late 2Q before any news.”

“You can justify being a little long on Ecuador because, if Noboa wins, it could be this year’s Argentina,” according to Tingleff. She saw Argentina as “an IMF program trade, with how quickly they can get rid of FX controls with the October midterms approaching.”

Panelists’ lists of restructuring candidates were short, with Babb mentioning the Maldives (“but they don’t have insurmountable obstacles over the next twelve months”), and Tingleff worried about Bolivia.

Ending on a positive note, Pellegrini emphasized the fundamental improvements in Frontier countries. Babb referred to the increasing number of RFPs her firm is receiving. “Many Frontier countries have managed the fiscal and monetary sides better,” stated Bhatia.

## Paris Speakers Look for EM Opportunities Day Before Trump Tariff Announcement

Over 65 EM market participants attended EMTA's Spring Forum in Paris on Tuesday, April 1, 2025, with panelists offering opinions on whether US tariff policy and geopolitics provided opportunities for the EM investor. The event was hosted by IVO Capital Partners, with additional support provided by Deutsche Bank and Goldman Sachs.

Moderator Agnese Melbarde (IVO Capital Partners) reviewed the global macro backdrop in opening remarks. With Trump's tariff policy scheduled to be announced the following day, she asked speakers if there were silver linings for EM.



Carmignac's Alessandra Alecci maintained that the lack of clarity surrounding future US policies could prompt capital shifting away from the US. "This could be a shift away from 'US exceptionalism,' to the benefit of EM." Alecci added that the German pivot on fiscal stimulus, in addition to Beijing's efforts to boost consumer spending and a weaker dollar, may all be good for EM countries.

Deutsche Bank's Danelee Masia cited the EU's recent US\$5 billion investment pledge to South Africa, in contrast to Trump's sanctions threats. "But there is massive uncertainty on top on uncertainty." The relative weakness of the dollar would allow for "some breathing room to see inflation compress."

Goldman Sach's early 2025 call for a benign global outlook this year, and Fed cuts in a non-recessionary backdrop, has now evolved into a more cautious stance because of the uncertain trade outlook, according to Andrew Matheny. Goldman's US growth estimate for 2025 is now below consensus at 1.5%, with a 3.5% core inflation forecast, and the firm has raised its probability of a US recession. "This scenario is probably not a good one for risk assets, and leaves EM exposed," he concluded.

Brigitte Le Bris (Ostrum Asset Management) characterized EM growth as "ok, with inflation under control; credit metrics are generally robust as well, with some exceptions." She anticipated three 25 bps US rate cuts in 2025, with the UST 10-year around 4%. A weaker US dollar due to tariffs and inflation would bolster EMFX.

Panelists agreed that the CEE region could benefit from the spillover effects from German stimulus. Masia ventured that Polish and Czech manufacturers could be the primary beneficiaries. She added that there was market consensus that ESG "would take a back seat to a massive shift to defense spending." Spillover could also help commodity exporters, including copper producers, in Alecci's assessment. Le Bris also saw Turkey as a beneficiary, assuming the current political situation was resolved. Matheny highlighted that Goldman had reduced its near-term EU growth estimates after the US election (to 0.8% in 2025, 1.1% in 2026, and 1.5% in 2027), but the German action now signals a source of growth away from the US; as Europeans take the lead on Ukraine's defense, Europe could benefit over the longer term.

### Spring Forum (Paris) (continued)

On China, stabilization in the property market, the recent liquidity injection and the announcement of DeepSeek's new chatbot have led to Le Bris becoming more constructive. She speculated that a new "trade group" could develop across the global South, from LatAm to Africa to China, bypassing the US.

"I don't see a big trade in China's fixed income, but I'm amazed at the resilience--China is investable again," affirmed Alecci. China is no longer a "property story; it took tech innovation to the next level, at a fraction of the cost." Matheny addressed the reduction in Chinese bilateral lending to Sub-Saharan Africa (SSA), which may now face a funding gap for those countries. (The greater integration of SSA into the global economy led him to caution "not to expect smooth sailing in the region in a global trade war.")

Investors would avoid the peso if a trade war induced a Mexican recession. Instead, Alecci favored local rates and Pemex due to its "almost-explicit sovereign guarantee, at 300 to 400 bps over." Even if Mexico avoided a recession, Le Bris anticipated sub-1% growth.

Melbarde praised Finance Minister Simsek for Turkiye avoiding economic collapse following the arrest of the country's opposition leader. "Simsek will do the right things...if he is there," commented Alecci, who stated that, "the crowded trade and uncertain political outlook" gave her pause.

Masia voiced cautious optimism, seconding that the proactive response had calmed turbulence. She would monitor dollar withdrawals by households and corporations. Le Bris agreed that re-dollarization by locals was key, and was also cautiously optimistic (while confirming she had sold her lira exposure). Melbarde would avoid Turkish sovereign debt, but saw select opportunities in Turkish corporates.

For Matheny, Turkiye's December rate cut had been "premature" and had augured the re-entry of domestic politics in the economic sphere. Market interventions to support the lira had cleared out carry-trade and hedge fund positions, and his firm now forecasts a 350 bp repo rate hike in order to restore market confidence. "Politics will always be in the background; that is something for investors to consider," Matheny advised.

Also addressed was the Ukraine war. Matheny calculated that the market was pricing in a two-thirds chance of a peace deal in 2025, which might prove "optimistic." If a deal was reached, the potential return of millions of Ukrainian refugees and internally displaced people would have effects on growth and investment flows. "Labor shortage has been a huge impediment to growth," he declared. A "reasonable" peace deal could lead to 3% trend growth, and a "robust" deal to perhaps 5%, "but without faith in a peace agreement, who is going to rebuild infrastructure?" Alecci argued that eventually Europe would provide "some sort of security" for Ukraine.

Would South Africa meet heightened investor expectations? "There is so much momentum from the bottom up," replied Masia, while the national treasury had been firm on not increasing debt levels. Matheny was also constructive, with a 1.7% growth forecast for 2025, "although risks are to the downside because of a lot of 'wait and see' posturing." If growth and the fiscal numbers improved, and the government coalition remained aligned, there could be upwards rating pressure, he stated. Le Bris was encouraged by renewed business confidence, the end of load shedding, and increased political cooperation. Alecci liked the coalition's "checks and balances," and seconded the possibility of a credit upgrade.

Other countries covered included Colombia (Alecci and Le Bris concurred it was too early to invest in anticipation of a post-Petro era), and Indonesia, where panelists acknowledged the market's "freak out" with new sovereign wealth fund plans, and populist political moves in the former "market darling."

## Elections May Have More Impact than Tariffs on Andean Countries

Trump tariff threats, as well as the upcoming elections in Colombia, Chile, Peru, and Ecuador—and their economic implications—were among the main topics at EMTA’s Forum on the Andean Countries, held in New York City on March 19, 2025. Fitch Ratings hosted the event, with additional support from BofA Securities and Standard Chartered.

Moderator Shelly Shetty (Fitch Ratings) provided an overview of her firm’s Andean ratings. She pointed out that Chile led the pack, with an A- rating, while Peru was also investment grade at BBB (and a stable outlook). Fallen-angel Colombia was currently rated BB+, with the outlook recently revised to negative; and further down the scale were Ecuador (CCC+) and Bolivia (CCC-). Shetty summarized that, “the overall trajectory has not been great. Both Chile and Peru were downgraded one notch during the pandemic, Colombia went down two levels, and Bolivia lost three notches in the last two years.”



Shetty described three challenges for the region: a moderate growth outlook, pressures on public finances, and political gridlock (although this could change after the upcoming elections in many Andean countries). She asked speakers how they were assessing the Andean region in light of rising US trade protectionism, softening commodity pricing and geopolitical risk.

Global Evolution’s Peter Marber affirmed that Chile has “been on the top of the list” for decades, with Bolivia and Ecuador remaining most vulnerable. Peru had progressed from its dangerous past marked by hyperinflation to a country with sustainable economic growth. Marber underscored that the two weaker Andeans, Bolivia and Ecuador, both ran trade surpluses with the US; “and that could get Trump’s attention.”

Alejandro Rivera (Nuveen) speculated that the Andeans might remain largely out of the crosshairs of the tariffs, as the region “would largely play ball with Trump.” He expressed a generally optimistic tone, referring to rising regional growth and potentially improved political outlook.

“We are not too concerned about the tariff effect on the Andeans,” confirmed Gordian Kemen (Standard Chartered). While tariffs appeared to be “a hammer to negotiate,” Kemen was unsure of the goals, although he speculated that Peru’s Chinese-owned ports could be a target. Copper tariffs would harm Chile and Peru, he noted.

### Andeans (NYC) (continued)

“The Chilean, Colombian and Peruvian experimentation with leftist policies have had varying degrees of not-so-great results,” commented Alex Muller (BofA Securities), with government policies damaging the Colombian economy, though some of it could be reversed.” The three countries’ free-trade agreement with the US gives them a better starting point, in his assessment.

Shetty steered the conversation to Ecuador’s upcoming elections, asking for thoughts on possible results. Muller confirmed that he saw the outcome as largely binary, with any moderating move from the Correista camp unlikely. “Noboa would take a much more market-friendly approach; they would try to open up the economy and attract foreign investment.”

Rivera admitted to “a sliver of hope” that, if elected, Gonzalez might surprise the market with pragmatism, while stating such a move would not be his base case. When 2026 IMF payments become due, the country will need to restructure, in his view.

Panelists addressed fiscal policy in Colombia. Kemen cited the Finance Ministry’s revolving door; “no one wants the job.” However, “we are not as worried as Fitch with its recent rating action—while debt/GDP is going to 60%, we don’t think it has to be explosive.” The silver lining was the upcoming election next year, according to Kemen, who believed that fiscal concerns are largely already priced in.

“Colombian fiscal credibility is damaged, and the fiscal rule is becoming an empty promise,” declared Muller. Rivera anticipated that the likely change away from a leftist leader in the upcoming elections could result in improved economic growth. (Kemen agreed that the “pendulum was likely to swing back;” and, while it was not yet clear who the candidates would be, “no one strong from the Petro camp has emerged.”)

Turning to Chile, Marber forecast growth in line with last year’s 2.4%. The green transition has resulted in a lot of FDI inflows into the country, he observed, and foreign investment into renewable energy could continue to grow. “Whether Chile will get caught up in the tariff crosshairs, we will know soon.”

Kemen reasoned that Chileans were likely to vote for change in the next presidential election, although it was not obvious how the field of rightist candidates would be winnowed down; and the far-left candidate is more moderate than Boric. “Anything can happen—Boric wasn’t anyone’s base case,” he reminded attendees.

Despite a messy political situation, Muller predicted Peruvian growth could surpass 3% in 2025, boosted by high gold and copper pricing, as well as infrastructure projects. Marber suggested investors would look at Peru as a “political story rather than an economic story” in the run up to the next elections, despite strong gold and copper prices.

The panel concluded with a brief discussion of Bolivia. Marber regretted that, “no material progress has been made” in the country, and it was likely headed for the “IMF intensive care unit.”

## Hungarian Official Addresses EMTA CEE Forum in London; Panelists Discuss Cross Currents of Ukraine War, German Stimulus and Trump Tariff

Mate Loga, Hungary's State Secretary for Economic Development and Industry, delivered keynote remarks at EMTA's Forum on the CEE Countries, held in London on March 13, 2025. The event was hosted by BofA Securities, with additional support provided by Societe Generale and S&P Global Ratings.



In his remarks, Secretary Loga addressed international macroeconomic trends, referencing a “good and tight relationship” with US President Trump. Loga pointed out that US tariffs on EU steel, or German automakers, would pose “challenges” for the Hungarian economy, as battery plants increasingly link the country to Germany, despite growing ties with Japan and South Korea.

Hungarian employment was at record levels, the Secretary stated, with “massive growth” in real wages. “And tourism is booming; as chairman of the Budapest Airport, I see there have been more passengers in January and February than I expected.”

Loga believed that a ceasefire in Ukraine was likely, and affirmed that “we are the only voice in Europe supporting the peace--not the Russians--but the peace.” CEE countries could be the largest beneficiaries of an end to the Ukraine war, he added, while it was unclear how rebuilding the country's infrastructure would be funded.

Germany's economic woes had caused Hungary to miss growth targets in 2024, but Loga expected Hungarian growth in excess of 3% in 2025. “Inflation is the main question, especially on food inflation,” he said. Loga confirmed that the government was in talks with retailers, seeking their input into the cause. “We want to avoid price caps...but we want to protect households, so we are considering voluntary price limits.” Loga added that pensioners would receive automatic VAT refunds for certain food purchases.

Loga described the country's economic objectives, which include developing SMEs, reducing taxes, promoting affordable housing, building 100 new factories, and reducing inflation. Budapest aimed for a zero primary balance, “and, although these measures may sound like we are easing, we are taking other restrictive measures to fulfill our promises to investors and the credit ratings agencies.”

A panel discussion of the outlook for the CEE region followed, chaired by Mai Doan (BofA Securities). Doan observed that the market had been torn between the potential ceasefire in Ukraine, speculation on the US tariffs that Trump would announce in April, and German fiscal stimulus. How were speakers navigating these crosscurrents? she asked.

“Global trade is being redefined, so we don't know where inflation will go, or the ramifications of supply chain changes,” responded Neuberger Berman's Kaan Nazli. The possibility of increased European defense spending could be a positive factor for CEE countries, he reasoned. S&P Global Ratings' Karen Vartapetov considered German fiscal stimulus a “game changer for CEE; it could absorb the shock from the tariffs.”

Viktor Szabo (aberdean) underscored that “tariffs are the ‘here and now’ factor; we have uncertainty, which is not good for growth as it delays investment and makes business planning impossible.” Societe Generale's

### CEE (London) (continued)

Marek Drimal pondered whether the market had been overly optimistic vis-à-vis German stimulus in light of tariffs, especially with their implications on the Czech Republic and Hungary.

Szabo challenged his fellow Europeans to see recent US actions as an opportunity. The potential withdrawal for the American nuclear umbrella would push Europe to reconsider its financial targets, and perhaps loosen its Maastricht criteria. The issuance of common bonds “could create a big pool of new AAA-rated assets,” he declared. However, increased defense spending was less productive than spending on high value-added services, he argued.

Vartapetov highlighted that most CEE sovereigns have stable ratings outlooks at S&P because of their “healthy fundamentals.” An exception was Romania, with a negative outlook, because of fiscal consolidation concerns.

Any ceasefire in Ukraine would likely lead to a market rally, in Drimal’s opinion, as market participants were likely to revisit CEE credits. “However, the devil is in the details [of the deal],” he cautioned. Vartapetov speculated that any ceasefire was likely to be a temporary break, with a longer-term arrangement requiring an extra effort.

Szabo was blunter in his assessment, expecting any ceasefire to be violated by Russia. While a ceasefire could lead to more Russian gas on the market, “the EU’s South still gets their gas from there, the EU won’t rebuild the pipelines to the Eurozone, and the US doesn’t want the competition from Russian LNG.” A durable peace was necessary for any long-term impact, in Nazli’s view. Drimal added that the EU didn’t want a large resumption of Russian gas exports.



Doan invited speakers to address several idiosyncratic stories. Could Romania avoid a credit downgrade? “Yes,” Vartapetov answered, specifying that rating triggers are detailed in its latest report. “We have been patient and only revised the rating outlook to negative in January.” The challenging fiscal path amid weaker growth and increased political polarization are constraining factors, but “we think there will be a window of opportunity to come up with new fiscal consolidation measures after the elections.”

Nazli maintained that, at the time of the event, Romanian debt prices “properly reflected the risks,” and advised attendees not to assume that German stimulus would be the country’s white knight. While he praised the Finance Ministry’s plan, he warned that achieving the 7% budget deficit target would not be easy; “let’s see what happens after the election.” Szabo emphasized that Romania has responded to market discipline in the past, and would likely respond to market signals.

Doan referenced Hungarian fiscal and monetary policy. In Drimal’s analysis, lower oil prices could help reduce the country’s inflation.

Szabo praised Hungarian officials for progress on reducing its fiscal deficit post-Covid. He reasoned that stimulating consumption would lead to inflation, and attributed Hungarian inflation to excess demand, while recognizing the political rationale of focusing on those who suffered most from the inflationary shock. The Central Bank would have to maintain rates to keep inflation in check, he concluded. Vartapetov confirmed S&P’s BBB- (stable outlook) rating on Hungary; “we think the risks are in balance.”

## Lessons Learned from Recent Restructurings

Recent restructurings, as well as the Common Framework, creditor committees, comparability of treatment, state contingent instruments, liability management operations, climate resilient debt clauses, threatened statutory interventions and potential market responses were all topics addressed at EMTA's Seminar "Recent Developments in EM Debt Restructurings" on March 4, 2025 in New York. Thomas Laryea (Orrick, Herrington & Sutcliffe) moderated the panel, with Rafael Molina (ankura (formerly Newstate Partners)), AJ Mediratta (Greylock Capital Management), Samy Muaddi (T. Rowe Price Associates, Inc.) and Ian Clark (White & Case) as panelists. Orrick, Herrington & Sutcliffe hosted the panel in its NY offices, and additional support was provided by ankura (formerly Newstate Partners), J.P. Morgan Chase and White & Case.

Laryea opened his remarks by stating that this Seminar provided an opportunity to take stock of recent developments in Emerging Markets sovereign debt restructuring, including by reference to the interrelated



phases of debt issuance and liability management operations. He said that the experts on the panel would consider the market and legal aspects, with reference to actual debt issuance or restructuring situations, and that they may make some predictions on how recent developments might inform the future of debt restructuring dynamics.

He referenced the plethora of innovations in recent sovereign debt restructurings, including greater incidence of value recovery and other contingent instruments; liability management operations characterized by some type of debt-for-development-objective swap, and more common use of legal provisions, such as most favored creditor, loss reinstatement and enhanced debt disclosure. He stated that this was also a time in which some challenges to the market-based contractual approaches arose, encapsulated in some proposed statutory interventions, including in NY. Notwithstanding the inefficiencies in the contractual approach that the market has experienced, the question is whether the system would be collectively better off if these statutory proposals were enacted and who would be the relative winners and losers.

Muaddi provided some context and perspective on current EM market conditions. He stated that, in the 1990's, sovereign debt restructurings took years, with the sovereign cumulative default rate at 22% (which represented 10% of the asset class vs 20% in high yield). Since that time of approximately 22 counterparties with no market access, we're now at more like 8. Regarding "Tariff Tuesday," he said that the market needs "to get the architecture right." He posited that the "industry landscape, the original sin of EM debt" related to the fact that the EM market was small with insufficient capital, which was then exacerbated by some of the clauses in EM documentation. He stated that the last 4 years have led to a loss of approximately US\$100 billion in assets, a loss that has not yet been recovered. He described the official sector as funding "butter to guns;" therefore, the private sector is tasked to fund the rest. He posited that the EM market has "a PR problem," despite being very transparent. The market tends to be vilified "no matter how fast we move" because of the "baggage in our industry" related to what has happened in the last 4 years.

## Restructuring (NYC) (continued)

Laryea noted that one aspect of the sovereign debt restructuring architecture that has improved in recent years is the use of creditor committees, particularly with respect to bondholders. He asked Mediratta about his experience relating to the evolution in the practice of bondholder creditor committees and what factors have led to the improvements. Mediratta (who has been involved in nearly every single restructuring and establishment of creditor committees related thereto of late) described the evolution of such committees. The restructurings of the 1980's and 1990's were characterized by organized BACs (bank advisory committees since banks were usually the sole investors at the time). In the last 25 years, the type and quantity of investors has increased dramatically. Argentina's approach in the 2000's to negotiations with creditor committees was "to take it or leave it." At that time, some investors paid for legal and financial advisors themselves. He believed the creditors "got run over" and spent the next 2 decades trying to make restructurings better overall. The biggest challenge was getting mutual funds to join the committees and pay for advisors.

This all changed in 2012 with Greece's restructuring when institutional representation on the committees increased (although payment by the issuer for advisors was still not the norm). Once issuers started paying for the investors' legal and financial advisors, more investors joined restructuring committees. At present, committees are rather large, which has its own challenges (namely, negotiating with diverse investor interests), but meetings have been "more civil." He stated that the best thing was for countries "to put restructurings behind them and move on."

Laryea noted that BACs have not been able to organize without the intervention of bank regulators that characterized the so-called "London Club" approach, and Muaddi urged that it was important for the industry to spend time on the topic of committees generally.

Laryea stated that, at its core, the so-called Common Framework is a tool for coordination among government creditors. In that respect, it operates like an enhanced government creditor committee, with a formalized code of conduct. From their vantage points as legal and financial advisors to both debtor countries and creditors, he asked Clark and Molina, respectively, what their insights are on what has worked well and what has not worked so well with the Common Framework from the perspective of debtor countries, government creditors and private creditors.

Clark responded that, while the private sector committees are very important for the restructuring landscape, new strategies need to be devised to speed up the process as restructurings become more complicated. The Paris Club of highly developed countries operates efficiently, but, with the advent of China as a creditor into the mix, that country has to be incorporated into the official sector landscape. Bringing new creditors into the restructuring process will have "teething pains" and long delays in resolution. Financing assurances are sought from the official sector before the IMF lends its own money. This process has proved to be extremely prolonged even though the architecture was meant to work for debtors and creditors. And, the Common Framework has not been applied to the recent restructurings of Sri Lanka, Ukraine and Suriname since they are not deemed "low-income countries." However, "the good news" is that he's seen resolution of those situations because the ad hoc restructuring process has improved and creditors have learned a great deal (e.g., China came into the process "naïve and suspicious," but now understands comparability of treatment and burden-sharing).

## Restructuring (NYC) (continued)

Molina agreed with Clark's Common Framework assessment, stating that improvements have occurred in the last few years, and he doesn't see many defaults occurring in the next few years. However, debt servicing requirements are complicated, and we may see higher yields and spreads. He believed that the IMF has learned a great deal in the process (which was not the case prior to 2000/2001), but he still views the major problem of disclosure of information as needing attention. He admitted that the DSA doesn't need to be published, but the assumptions underlining it must be published so that analysts can better make their assessments. Parties can sign NDAs and the creditor committee can be kept at arm's length. He views this as a good opportunity for resolutions under the Common Framework.

In Suriname's case, Molina thought that the haircuts shouldn't be as large if creditors could share in the country's upside/wealth – specifically, oil. Muaddi noted that creditors need to be tougher on countries to implement their IMF programs. He cited Korea as an example of a country sacrificing to make a strong adjustment in the 1990's. He thinks the creditors have “over-corrected; we need to ask for stronger IMF programs.”

Laryea noted that another pet peeve of private creditors has been the concept of comparability of treatment, a legal obligation that government creditors impose on debtor countries with respect to their restructuring terms with their other creditors; hence, such concept comes into play when the private sector is asked to restructure its debt. He asked Mediratta what have been some of the challenges with comparability of treatment in recent sovereign debt restructurings, and was there some light at the end of the tunnel?

Mediratta replied that the official and private sector are “different animals,” with the former exempted from the concept, while the latter is obligated to provide haircuts. He explained that the theory has been that both sides should be comparable, but how to “pin this down?” The official sector doesn't trade, so there's no pricing. As long as the private sector deal is “close enough” to the IMF deal, it may pass muster. This “strategic ambiguity” is difficult to navigate. There's obviously a trust issue since the official sector has more information. This manifested in the Zambia case, where some creditors wanted to litigate to obtain more information. Comparability of treatment is “lovely in theory, but very difficult in practice.”

Laryea then turned to State Contingent Instruments and asked the panelists for their views. Clark noted that the IMF program is built on the basis of macroeconomic projections by economists; they're forward-looking by nature. There are embedded important assumptions in the DSA, which can inform debt restructurings if known to creditors. The DSA has “debt targets that fit together with assumptions to meet the conclusion of [whether a country's debt is sustainable].” Key parameters are already established in the IMF program when the program is put into place. He doesn't think that the IMF will “listen very attentively” to outside voices in the private sector as they make their own projections, and he finds it difficult to see any evolution in macro assumptions, while the market may take a different view of such assumptions, as do the various countries.

For example, the IMF didn't take into account a contingent instrument based on offshore oil in the case of Suriname, and in Zambia the IMF had differing views vs those of the private sector that thought the country has more debt-carrying capacity. In Sri Lanka, there was a gap in the IMF's and the market's expectations regarding future performance of the economy, which was bridged with macro-linked bonds. In Ukraine, there are huge macro uncertainties, but there are step-up notes for base and worse case scenarios. The wide range of instruments arose out of different national circumstances, which can be traced back to the way that the IMF views restructurings and their sequencing.

## Restructuring (NYC) (continued)

Muaddi noted the social media vitriol on macro-linked bonds in the Sri Lanka case. He felt that people needed to understand the constraints, with the IMF exchange rate forecast for the local currency being “50% off reality, then 30%,” which was a material error. For creditors, the options are – wait 4 years, take a bad deal or negotiate to bridge the difference by organizing early. He noted that real money and index managers have recently been at the negotiating table since some of these instruments need to be in the indexes. He posited that we need “restrained negotiation” like in the 1990’s when the Brady bonds were created.

Mediratta noted that we need to create instruments that deal with the DSA assumptions, but we also need instruments that trade. Some of these instruments trade poorly and have bad value. In the Suriname case, the value recovery instrument – oil – is more easily forecastable and, therefore, more tradable. Laryea praised the whole panel for their share in the Suriname solution.

Molina noted that, without these types of instruments, restructurings wouldn’t have worked as well, and this was all a “learning process.” In 2022, Suriname was forced to offer restructuring terms based on macro projections that disregarded the country’s future oil wealth, which was not a good starting point since creditors couldn’t agree on the haircut and didn’t want these types of instruments. Then the IMF issued a Working Paper on the instruments. In the VRI context, a country was only on the hook if oil flowed from a gas or revenue stream. This has not yet happened and there are lots of expectations, he said.

Laryea noted that these contingent instruments deal with potential overperformance relative to the baseline economic performance. But, they do not deal with the generalized risk of underperformance, given that all sovereign debt restructurings are “economic-policy dependent.” An approach to address the risk of debtor underperformance would be to structure the restructuring terms so that creditors will only deliver debt relief if the country does its part.

Laryea then asked Molina about the recent proliferation of structured liability management operations to redirect fiscal resources (or raise cheaper financing) for development and/or climate-related objectives. Molina replied that debt for climate swaps are particularly useful in the context of countries that have huge debt servicing requirements so that they can redirect their debt service for development within their countries. Mediratta said that these are pioneer programs so that issuers can borrow at cheaper rates with government-leveraged guarantees (recently US\$4 billion was raised with these guarantees, with Ecuador being a famous example, while it didn’t work for Gabon). “The world is changing, rates will increase, spreads will increase, so a breakeven rate is more difficult.”

Muaddi saw a narrow application of creativity in sinkable bonds, which may be extendable or callable to give countries extension or step-up opportunities on a transparent basis.

Laryea noted that a specific example of the broader climate-related considerations in the sovereign debt markets, in and outside the restructuring context, has been Climate Resilient Debt Clauses (CRDC). He also asked whether there was any momentum around CRDCs to enhance sustainable sovereign debt structures. Clark replied that IFIs are currently absorbing the risk of serial defaulters, and that these were exceptionally complex and time-consuming transactions, with huge human resources and debtor capital at play; hence, he did not see debt swap use for most countries.

### Restructuring (NYC) (continued)

In connection with threatened statutory interventions and potential market responses in the restructuring context, Laryea raised the issue of some legislative moves associated with the sovereign debt architecture in NY, and to a lesser extent in the UK, and questioned the motives driving those initiatives. Clark responded that there were significant sectors within the official sector and NGO community that thought that the private sector is a reluctant participant in sovereign debt restructurings, and that there is a real risk of holdouts and delays. Since there was no way to compel the parties to negotiate and because there was no international law of insolvency, some government officials in NY proposed the following series of interventions:

- (1) Sovereign Debt Stability Act, which is a combination of 2 different prior proposals. This is a statutory solution, whereby the debtor has the ability to cap recoveries for NY-governed debt. Or, there may be a full sovereign debt statutory mechanism with a NY supervisor that mirrors corporate insolvency procedures.
- (2) Amendment of champerty legislation, which, if implemented, would create obstacles for those who buy debt, second-guessing their motives, especially if investors have excess recoveries. Those claims, if deemed in violation of champerty, would not be enforceable. The UK recently introduced a similar bill.

There is now a back-drop of uncertainty in key 2 markets – NY and UK – with a potential impact on the market if some or all of these solutions are adopted.

Furthermore, in response to the potential NY bills, Suriname’s restructuring documents reflect the “inflated sensitivity” to this topic. A change in governing law requires only a majority of bondholders, thus making it easier to amend that provision. Sri Lanka has taken this to a new level by introducing a provision that permits 20% of bondholders to sponsor an amendment to change the governing law to English or Delaware law, and requires a supermajority to amend such provision. The sovereign in that case has already pre-approved this change in governing law.

Muaddi echoed the “severe risk” for the asset class if the NY bills passed.

Laryea concluded by asking panelists what they really hated about the current system or practice of sovereign debt restructuring and what proposal they would make for change. Molina reiterated his view that we need a symmetry of information. Mediratta reflected on the Zambia case where negotiations broke down; he suggested “going to war and getting it over with.” Muaddi suggested “keeping the ideas and compliance ratio above 1,” and that there should be an “escalation mechanism.” Clark agreed with Molina’s comment about the lack of transparency from official sector creditors and the “unnecessary impediment to sovereign debt risk.” He suggested publishing MOUs and bilateral agreements so that the terms were visible for all.

A panel on recent restructurings will be held on June 18, 2025 in London. See [page 31](#) for more information.

## Boston Forum to Cover Latin America and Trade Wars, Progress in Argentina

What is the case for EMD in an era of uncertain trade policies, lower growth, higher US rates and lower oil? Will LatAm be a winner in the trade wars? Which countries can benefit most? What are the challenges for the Milei government in Argentina? Is improved sentiment on Brazil justified? Will China beat growth expectations in 2025?



These and other topics will be explored at EMTA's Forum in Boston on Thursday, May 29, 2025. Neal Capecci (Manulife Investment Management) will moderate a discussion featuring Nader Nazmi (Fidelity Investments), David Rolley (Loomis Sayles) and Siobhan Morden (Santander).

Roberto Sanchez-Dahl and Manulife Investment Management will host the event. Additional support is being provided by Morgan Stanley and Santander.

Registration for EMTA Members is US\$95. There is a registration fee of US\$695 for Non-members.

For further information, please contact Jonathan Murno at [jmurno@emta.org](mailto:jmurno@emta.org).

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## EMTA Seminar on Russia Scheduled in New York

EMTA's Russia Seminar to be held at Cleary Gottlieb Steen & Hamilton's New York office on June 4, 2025 will address the recent sanctions landscape in Russia from the practitioners', regulators' and geopolitical perspectives, as well as, among other topics, the frozen Russian assets and the likelihood of their use for Ukraine, and the implications of the Russia/Ukraine war on trading.

Samuel Chang (Cleary Gottlieb Steen & Hamilton) will moderate the panel, with Ken Rivlin (A&O Shearman), Cliff Kupchan (Eurasia Group), Nicholas Cartier (OFAC Office of Chief Counsel) and David Salie (U.S. Department of State, Office of the Legal Adviser) as speakers.

Additional support will be provided by A&O Shearman and Eurasia Group.

For further information, please contact Aviva Werner at [awerner@emta.org](mailto:awerner@emta.org).



## EMTA Forum in London to Focus on South Africa

CBC Standard Bank will sponsor EMTA's next Forum on the Economic and Political Outlook for South Africa, to be held in London on Tuesday, June 10, 2025.



Standard Bank's Elna Moolman will chair the session, which will also include speakers Adriaan du Toit (AllianceBernstein), Ishitaa Sharma (JPMorgan Asset Management), Keabetswe Mojapelo (Rand Merchant Bank) and Roy Adkins (T. Rowe Price).

Additional support for the program is being provided by Rand Merchant Bank.

EMTA Members can register at [www.emta.org](http://www.emta.org). The registration fee for EMTA Members is US\$95; Non-members may register at a fee of US\$695.

Please contact Jonathan Murno at [jmurno@emta.org](mailto:jmurno@emta.org) for more information.

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## EMTA Panel in Zurich to Address EM Sovereigns and Corporates on June 12, 2025

EMTA's next Forum in Zurich is scheduled for Thursday, June 12, 2025. The event will be held at the Marriott Hotel at Nuemuehlequai 42 in downtown Zurich.

BofA Securities' David Hauner will moderate a discussion of EM marketplace challenges and opportunities, in both the sovereign and corporate sectors. Other confirmed speakers include John Montgomery (Balanz Capital), Christian Wietoska (Deutsche Bank), Dorthe Fredsgaard Nielsen (Swiss Life Asset Managers) and Jack Deino (UBP).

Invitations are being sent to all EMTA Members, who may register at [www.emta.org](http://www.emta.org). Non-members may also attend, with a US\$495 registration fee.



BofA Securities will sponsor the Forum, with additional support from Balanz Capital and Deutsche Bank.

For more information, please contact Jonathan Murno at [jmurno@emta.org](mailto:jmurno@emta.org).

## Lessons Learned from Recent EM Debt Restructurings to be Discussed in London

Following on EMTA's Restructuring Panel in New York on March 4, 2025 (see [page 24](#)), EMTA's expert legal and market panel in London on June 18, 2025 at White & Case's offices in London will discuss the following issues, among others:

- The Future of the Common Framework
- Recent Restructurings (Suriname, Sri Lanka, Zambia, Ghana and Ukraine) and their New Instruments, Non-Financial Covenants and Evolution; Attempts to Include Debt Incurrence Covenants
- Composition of Creditor Committees – Fees and Potential Index-Eligibility Requirements
- Comparability of Treatment
- Threatened Statutory Interventions and Market Response
- New IMF Lending into Official Arrears Policy



Ian Clark (White & Case) will moderate the panel, with Spencer Jones (Ankura Consulting (Europe) Limited), Stephanie Ouwendijk (Franklin Templeton Investments), AJ Mediratta (Greylock Capital Management) and Alex Loomis (Quinn Emanuel Urquhart & Sullivan) as speakers.

Additional support will be provided by Ankura Consulting (Europe) Limited and Quinn Emanuel Urquhart & Sullivan.

For further information, please contact Aviva Werner at [awerner@emta.org](mailto:awerner@emta.org).

## EMTA Summer Forum in London Celebrates 28 Years

EMTA's Annual Summer Forum will celebrate its twenty-eighth year on Tuesday, June 24, 2025. BofA Securities will host the event once again at 2 King Edward Street in London.

The Forum will include two panel discussions on the outlook for EM investment. The first investor panel will be moderated by David Hauner (BofA Securities) and will feature Michel Aubenas (BlackRock), L. Bryan Carter (HSBC Asset Management), Katherine Renfrew (Nuveen) and Robert Simpson (Pictet Asset Management).



Kieran Curtis (Aberdeen) will moderate a second panel, featuring Luis Costa (Citi), Evan Wohlmann (Moody's Ratings), Phoenix Kalen (Societe Generale) and Stuart Culverhouse (Tellimer).



Additional support for the program is being provided by Citi, Moody's Ratings, Societe Generale and Tellimer.

Registration for EMTA Members is US\$95. There is a registration fee of US\$695 for Non-members.

For further information, please contact Jonathan Murno at [jmurno@emta.org](mailto:jmurno@emta.org).

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## EMTA Returns to Paris on September 9, 2025

EMTA will hold its next Forum in the City of Lights on Tuesday, September 9, 2025.

IVO Capital Partners will host the event, which will include a panel discussion on challenges and opportunities in the global EM debt markets, and the economic outlook for key EM countries.

The discussion will be led by Agnese Melbarde (IVO Capital Partners) and feature confirmed speakers Juan Jose Battaglia (Cucchiara y Cia) and Guillaume Tresca (Generali AM).

The event is being sponsored by Cucchiara y Cia.

Invitations will be sent to all EMTA Members, who may register for the event at [www.emta.org](http://www.emta.org). Non-members may also attend, with a US\$695 registration fee.

For further information, please contact Jonathan Murno at [jmurno@emta.org](mailto:jmurno@emta.org).



## EMTA Panels in London and New York to Focus on Argentine Midterms

The upcoming Argentine midterm elections and the prospects for continued reform progress under President Milei will be a main theme of two EMTA Forums on the Political and Economic Outlook for Argentina to be held in London on Thursday, September 11, 2025, and in New York on Thursday, September 18, 2025.

The London program will be moderated by Pilar Tavella (Balanz Capital). A confirmed speaker includes Geronimo Mansutti (Tellimer). Additional speakers will also be announced shortly.

The New York event will be moderated by PPI's Pedro Siaba Serrate and will also feature Lucas Martin (BofA Securities). Additional speakers will be announced shortly.



PPI will sponsor the New York panel, with the additional support of BofA Securities and S&P Global Ratings.

Balanz Capital is sponsoring the London program, with the additional support of Tellimer.

EMTA Members can register for the event at [www.emta.org](http://www.emta.org).

For more information, please contact Jonathan Murno at [jmurno@emta.org](mailto:jmurno@emta.org).

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## Boston Seminar to Focus on Frontier Credits

EMTA's popular Forum on Frontier Markets will return to Boston on Tuesday, September 16, 2025. Artisan Partners will serve as host of the event, which will start at 3:30 pm at their office at 53 State Street. The Forum will cover credits in Latin America, Africa and Asia.

Unoma Okolo (Artisan Partners) will chair the panel. Additional speakers include Shantall Tegho (Fidelity Management and Research) and Fernando Losada (Oppenheimer & Co.)

Invitations will be sent to all EMTA Members, who may register for the event at [www.emta.org](http://www.emta.org). Non-members may also attend with a US\$495 registration fee.

Additional support for the program is provided by Oppenheimer & Co.

For more information, please contact Jonathan Murno at [jmurno@emta.org](mailto:jmurno@emta.org).



## EMTA's Sub-Saharan African Forum Returns to London on September 25, 2025

EMTA's Forum on the Sub-Saharan African Economic Outlook will take place in London on Thursday, September 25, 2025. ICBC Standard will serve as lead sponsor of the event, which will start at 3:30 pm and take place at the IISS, 6 Temple Place WC2R 2PG in London.



Jibrán Qureishi (Standard Bank) will lead a discussion on challenges and opportunities in the region. Confirmed panelists include Kevin Daly (ab-erdeen), Tatonga Rusike (BofA Securities), Samantha Singh-Jami (Rand Merchant Bank) and Yvette Babb (William Blair).

Invitations will be sent to all EMTA Members, who may register for the event at [www.emta.org](http://www.emta.org). Non-members may also attend with a US\$695 registration fee.

Additional support for the program is provided by BofA Securities and Rand Merchant Bank.

For more information, please contact Jonathan Murno at [jmurno@emta.org](mailto:jmurno@emta.org).

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## The Outlook for Turkiye Subject of an EMTA Forum on September 30, 2025

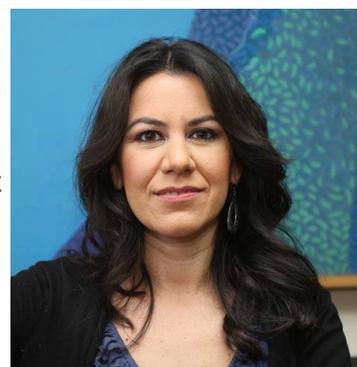
BofA Securities will host EMTA's Forum on the Economic and Political Outlook for Turkiye, scheduled for Tuesday, September 30, 2025 in London.

Zumrut Imamoglu (BofA Securities) will chair the session, with additional speakers to be announced shortly.

Invitations will be sent to all EMTA Members, who may register for the event at [www.emta.org](http://www.emta.org). Non-members may also attend, with a US\$495 registration fee.

Additional support for the program is provided by Fitch Ratings.

For more information, please contact Jonathan Murno at [jmurno@emta.org](mailto:jmurno@emta.org).



## EMTA Survey: 2024 Annual Emerging Markets Debt Trading at US\$6.116 Trillion

### **Fourth Quarter Volume at US\$1.409 Trillion**

Emerging Markets debt trading volumes stood at US\$6.116 trillion in 2024, according to a report released on March 25, 2025 by EMTA.

EMTA also announced that Emerging Markets debt trading volumes stood at US\$1.409 trillion in the fourth quarter of 2024. This compares with US\$1.223 trillion reported for the fourth quarter of 2023, a 15% increase, and down 10% compared to third quarter 2024 volume of US\$1.562 trillion.

### **Local Markets Instruments at 69% of Volume**

Turnover in local markets instruments stood at US\$4.192 trillion in 2024, accounting for 69% of total reported volume. This compares to US\$3.851 trillion in 2023, a 9% increase.

Mexican instruments were the most frequently traded local markets debt in 2024, at US\$1.479 trillion. Other frequently-traded local instruments were those from China (US\$515 billion), Brazil (US\$495 billion), India (US\$394 billion) and South Africa (US\$192 billion).

### **Eurobond Volumes at US\$1.919 Trillion**

Eurobond trading stood at US\$1.919 trillion in 2024, up 12% compared with 2023's US\$1.716 trillion.

71% of Eurobond activity involved sovereign debt issues in 2024, with Survey participants reporting US\$1.366 trillion in sovereign Eurobond turnover. This compared to a 68% share of Eurobond activity in the previous year, when such volumes stood at US\$1.163 trillion.

Corporate Eurobond trading stood at US\$545 billion in 2024, accounting for 28% of total Eurobond activity (vs. a 32% share in 2023). Sovereign Eurobond activity accounted for 22% of overall Survey volumes, with corporate trading at 9% of total turnover.

The most frequently traded Eurobonds in 2024 were Argentina's 2035 and 2030 USD-denominated bonds (at US\$23 billion and US\$15 billion in turnover, respectively), followed by Saudi Arabia's 2054 bond (US\$13 billion), Mexico's 2036 bond (US\$11 billion) and Saudi Arabia's 2034 bond (US\$11 billion), according to Survey participants.

In addition to local markets bonds, and sovereign and corporate Eurobonds, the Survey also includes turnover in warrants, options and loans. Survey participants reported US\$3 billion in warrant and option trades during the year and US\$2 billion in loan assignments.

## Debt Survey (continued)

### **Mexican, Brazilian and Chinese Instruments Most Frequently Traded Overall**

Mexican instruments were the most frequently traded instruments overall, according to Survey participants, with US\$1.638 trillion in turnover, and compared to US\$1.241 trillion reported in 2023 (up 32%). Mexican volumes represented 27% of overall volumes.

Brazilian instruments were the second most frequently traded instruments in the EMTA report, at US\$580 billion, according to Survey participants. This represents a 33% decrease from the US\$864 billion reported in 2023. Brazilian volumes accounted for 10% of total reported volumes.

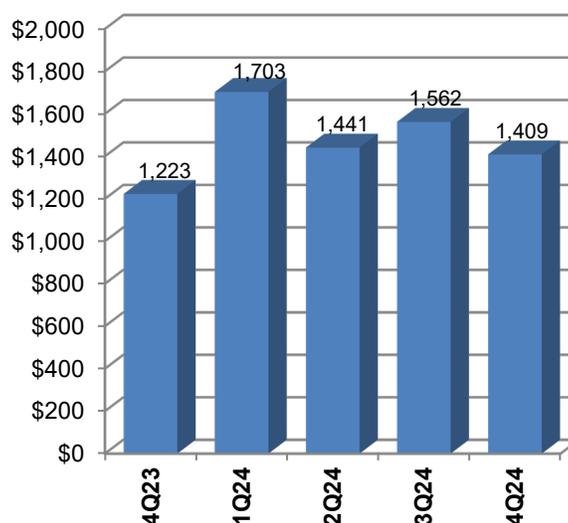
Third were Chinese assets, whose volume stood at US\$569 billion. This compares to US\$465 billion in 2023 (up 22%). Chinese instrument trading accounted for 9% of Survey volume.

Other frequently traded instruments were debt instruments from India (US\$430 billion) and South Africa (US\$231 billion).

EMTA's Survey includes trading volumes in debt instruments from over 90 Emerging Market countries, as reported by 29 leading investment and commercial banks, asset management firms and hedge funds.

For a copy of EMTA's Fourth Quarter 2024 Volume Survey, please contact Jonathan Murno at [jmurno@emta.org](mailto:jmurno@emta.org).

**Figures in Billions of US Dollars**



## EMTA Survey: Emerging Markets CDS Trades at US\$1.232 Billion in 2024

### ***Fourth Quarter Volume at US\$259 Billion***

The Emerging Markets CDS trading reported by ten major dealers totaled US\$1.232 trillion in 2024, according to a Survey released on March 18, 2024 by EMTA. This represented a 6% increase compared to the US\$1.158 trillion reported in 2023.

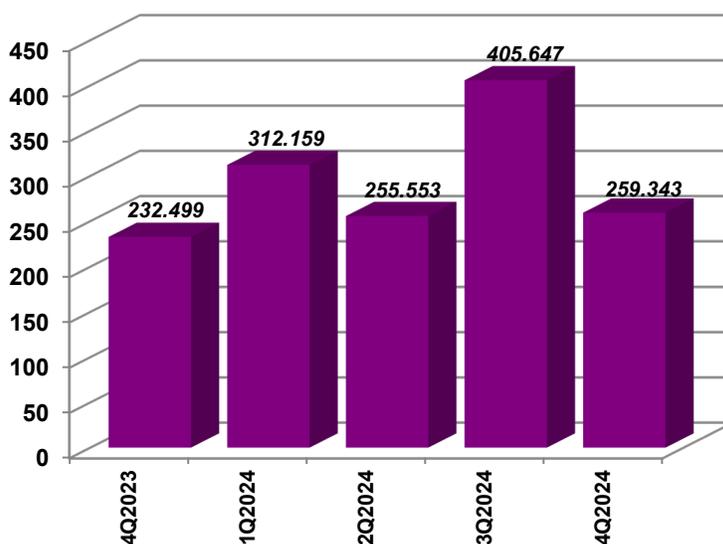
On a quarterly basis, CDS volumes reported to EMTA totaled US\$259 billion in the fourth quarter of 2024; this represents a 12% increase on the US\$232 billion reported in the fourth quarter of 2023.

The largest CDS volumes in the quarterly Survey during the fourth quarter were those on Brazil, at US\$28 billion. EMTA Survey participants also reported US\$25 billion in Saudi CDS and US\$19 billion in Chinese CDS contracts.

The EMTA Survey also included volumes on nine corporate CDS contracts, with the highest reported quarterly volume on Pemex (at US\$3.3 billion).

For a copy of EMTA's Fourth Quarter 2024 CDS Trading Volume Survey, please contact [jmurno@emta.org](mailto:jmurno@emta.org).

Figures in Billions of US Dollars



## EMTA Tracking OFAC Sanctions for EM Countries

OFAC-related materials are available in the country-specific Markets areas of EMTA's website referenced below. EMTA Members are encouraged to visit these frequently as EMTA tracks events in those countries.

Balkans	<a href="https://www.emta.org/markets/markets-a-g/balkans-region/">https://www.emta.org/markets/markets-a-g/balkans-region/</a>
Burma	<a href="https://www.emta.org/markets/markets-a-g/burma-myanmar/">https://www.emta.org/markets/markets-a-g/burma-myanmar/</a>
Hong Kong	<a href="https://www.emta.org/markets/markets-h-o/hong-kong/">https://www.emta.org/markets/markets-h-o/hong-kong/</a>
Iran	<a href="https://www.emta.org/markets/markets-h-o/iran/">https://www.emta.org/markets/markets-h-o/iran/</a>
Israel	<a href="https://www.emta.org/markets/markets-h-o/israel/">https://www.emta.org/markets/markets-h-o/israel/</a>
Korea	<a href="https://www.emta.org/markets/markets-h-o/korea/">https://www.emta.org/markets/markets-h-o/korea/</a>
Russia	<a href="https://www.emta.org/markets/markets-p-z/russia/">https://www.emta.org/markets/markets-p-z/russia/</a>
Syria	<a href="https://www.emta.org/markets/markets-p-z/syria/">https://www.emta.org/markets/markets-p-z/syria/</a>
Ukraine	<a href="https://www.emta.org/markets/markets-p-z/ukraine/">https://www.emta.org/markets/markets-p-z/ukraine/</a>
Venezuela	<a href="https://www.emta.org/markets/markets-p-z/venezuela/">https://www.emta.org/markets/markets-p-z/venezuela/</a>
Yemen	<a href="https://www.emta.org/markets/markets-p-z/yemen/">https://www.emta.org/markets/markets-p-z/yemen/</a>

For further information, please contact Aviva Werner at [awerner@emta.org](mailto:awerner@emta.org).

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## US and UK Holidays

The list of 2025 US and UK Annual Holidays can be found by [Clicking Here](#).

EMTA will continue to send emails, reminding market participants of early and full closes prior to each US and UK Holiday.

For more information, please contact Aviva Werner at [awerner@emta.org](mailto:awerner@emta.org).

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## Resources

As a reminder, EMTA's website offers its Members many Fixed Income relevant resources:

New Developments can be found [HERE](#).

Market Practices can be found [HERE](#).

Documentation can be found [HERE](#).

Caselaw can be found [HERE](#).

## Membership Update

EMTA warmly welcomed **Haver Analytics** as its newest Member during the second quarter of 2025.

Members include over 170 banks, broker-dealers, money management firms, hedge firms, law firms, other service providers and others.

EMTA Membership benefits include access to the EMTA website and to EMTA's staff, invitations to EMTA's many events around the globe at reduced or no cost, eligibility to participate in working groups or other EMTA initiatives, and much more.

If you are interested in EMTA Membership, or if you know of prospective members, please contact Jonathan Murno at [jmurno@emta.org](mailto:jmurno@emta.org) or (646) 676-4293 or Suzette Vaccaro at [svaccaro@emta.org](mailto:svaccaro@emta.org) or (646) 676-4294.

[Click Here](#) for information on the different categories of Membership, annual dues and much more.

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## EMTA is your Forum

Questions arise from time to time about EMTA's policies regarding views expressed in items posted on its website or by speakers or panelists at EMTA events.

For the record, EMTA, by long-standing custom, does not necessarily endorse such views. Items posted on EMTA's website, and speakers and panelists at EMTA events, are selected because EMTA believes that they will be of topical interest to its Members and to the broader market, and will contribute to the free exchange of views and information in the marketplace.

EMTA is always interested in market feedback on the effectiveness of its website, events and activities generally. Please take the time to let us know whether or not you agree with what you see on our website or hear at one of our events and, most importantly, whether there is something that EMTA should be doing, or doing differently, to better serve the EM marketplace.

## Stay in Touch to Stay Current!

If you have recently changed emails or moved offices, please update your information by visiting <https://emta.site-ym.com/>

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## EMTA Jobs Page

EMTA is providing information on current industry positions of possible interest to members of the EM trading and investment community. Both “Jobs Offered” and “Positions Wanted” information are available to EMTA Members and other market participants.

This information can be found on EMTA’s website at [www.emta.org](http://www.emta.org) (see “Employment” on EMTA’s home page).

We encourage you to pass along this information to former colleagues seeking employment in the EM debt industry, and, if your institution is looking for an EM professional, please consider posting available job positions with us.

To post a summary resume, please contact Suzette Vaccaro at [svaccaro@emta.org](mailto:svaccaro@emta.org).

*EMTA Members:  
To obtain a password for the  
Members Only area, please  
[Click Here](#)*

### Website Updates

**E**MTA publishes a wide range of materials relevant to participants in the Emerging Markets industry.

Please take time to visit these areas on our website:

[New Developments](#) (information about EMTA projects and other industry developments).

[Upcoming Events](#) (the registration site for EMTA Seminars and Webinars).

[Membership](#) (information on Membership and EMTA Member Institutions).

[Documentation](#) (standard documentation and Market Practices for fixed income and FX products).

[Key Industry Views](#) (key industry perspectives and market commentary).

[From the Market](#) (items submitted to EMTA that may be of interest to the Emerging Markets industry participants).

[Emerging Markets Caselaw](#) (court decisions and related litigation materials (including amicus briefs)).

[Employment](#) (industry positions currently available for Members of the Emerging Markets industry).

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### EMTA is on LinkedIn!

**E**MTA is happy to announce that we are now on LinkedIn.

Follow us on LinkedIn as an additional way to keep up-to-date on EMTA projects and upcoming events. We invite all EMTA Members to connect with us at: <https://www.linkedin.com/company/emta-inc>.

As always, we thank you for your support.

## EMTA Hotlines

<u>Topic</u>	<u>Contact</u>	<u>Telephone</u>
Bond/Loan Trading	Aviva Werner	(646) 676-4292
Corporate Bonds	Jonathan Murno/Aviva Werner	(646) 676-4293/(646) 676-4292
Credit Derivatives	Leslie Payton Jacobs/Aviva Werner	(646) 676-4290 ext. 6/(646) 676-4292
EM Litigation/Arbitration	Aviva Werner	(646) 676-4292
EMTA Events	Jonathan Murno/Nadine Simonelli	(646) 676-4293/ (646) 676-4295
EMTA Governance/Board/Policy	Michael Chamberlin	(646) 676-4290
EMTA Membership	Jonathan Murno/Suzette Vaccaro	(646) 676-4293/4294
FX Derivatives	Leslie Payton Jacobs	(646) 676-4290 ext. 6
International Financial Architecture	Aviva Werner	(646) 676-4292
Investor Rights	Aviva Werner	(646) 676-4292
Legal/Compliance	Aviva Werner	(646) 676-4292
Library and Archive Requests	Evelyn Ramirez	(646) 676-4290
Local Markets	Aviva Werner	(646) 676-4292
OFAC Sanctions	Aviva Werner	(646) 676-4292
Volume Surveys	Jonathan Murno	(646) 676-4293
Warrants/VRR's	Aviva Werner	(646) 676-4292
Website	Suzette Vaccaro	(646) 676-4294

EMTA staff can also be reached through the general telephone number (646) 676-4290, at the following email addresses or through EMTA's website ([www.emta.org](http://www.emta.org)).

Michael Chamberlin	<a href="mailto:mchamberlin@emta.org">mchamberlin@emta.org</a>
Jonathan Murno	<a href="mailto:jmurno@emta.org">jmurno@emta.org</a>
Leslie Payton Jacobs	<a href="mailto:lpjacobs@emta.org">lpjacobs@emta.org</a>
Evelyn Ramirez	<a href="mailto:eramirez@emta.org">eramirez@emta.org</a>
Nadine Simonelli	<a href="mailto:nsimonelli@emta.org">nsimonelli@emta.org</a>
Suzette Vaccaro	<a href="mailto:svaccaro@emta.org">svaccaro@emta.org</a>
Aviva Werner	<a href="mailto:awerner@emta.org">awerner@emta.org</a>

## EMTA Calendar

<b>Tuesday, April 1</b>	<b>EMTA Spring Forum</b> <b>Sponsored by IVO Capital Partners</b> <b>61-63 Rue des Belles Feuilles</b> <b>16th arrondissement</b> <b>Paris</b>
<b>Thursday, April 3</b>	<b>EMTA Forum on the Frontier Credits</b> <b>Sponsored by William Blair &amp; Company</b> <b>22 Bishopsgate</b> <b>London</b>
<b>Thursday, April 10</b>	<b>EMTA Forum: Economic and Political Outlook for Sub-Saharan Africa</b> <b>Sponsored by Rand Merchant Bank</b> <b>ISDA Conference Center</b> <b>10 East 53rd Street, 8th Floor</b> <b>New York City</b>
<b>Wednesday, April 16</b>	<b>EMTA Webinar on Ecuador</b>
Thursday, April 17	Recommended 2:00 p.m. (NYC) Early Market Close
Friday, April 18	Recommended Market Close (NYC/London) Good Friday
Monday, April 21	Recommended Market Close (London) Easter Monday
Monday, May 5	Recommended Market Close (London) May Day Bank Holiday
<b>Tuesday, May 6</b>	<b>EMTA Forum in Buenos Aires</b> <b>Sponsored by PPI</b> <b>Calle Juncal 4450, Primer Piso</b>
<b>Tuesday, May 13</b>	<b>EMTA Corporate Bond Forum</b> <b>Sponsored by BofA Securities</b> <b>2 King Edward Street</b> <b>London</b>
<b>Thursday, May 15</b>	<b>EMTA Forum in Frankfurt</b> <b>Sponsored by Union Investment</b> <b>Neue Mainzer Straße 6-12 / Win X Tower</b>
<b>Thursday, May 22</b>	<b>EMTA Forum: The Trump Effect on Latin America</b> <b>Sponsored by Deutsche Bank</b> <b>One Columbus Circle, 10th Floor</b> <b>New York City</b>
Friday, May 23	Recommended 2:00 p.m. (NYC) Early Market Close
Monday, May 26	Recommended Market Close (NYC/London) Memorial Day/Spring Bank Holiday
<b>Thursday, May 29</b>	<b>EMTA Forum in Boston</b> <b>Sponsored by Manulife Investment Management</b> <b>197 Clarendon Street</b>

<b>Wednesday, June 4</b>	<b>EMTA Seminar: Russia: Recent Geopolitical and Sanctions Developments</b> <b>Sponsored by Cleary Gottlieb Steen &amp; Hamilton</b> <b>One Liberty Plaza, 39th Floor</b> <b>New York City</b>
<b>Tuesday, June 10</b>	<b>EMTA Forum on South Africa</b> <b>Sponsored by ICBC Standard Bank</b> <b>International Institute for Strategic Studies</b> <b>6 Temple Place</b> <b>London</b>
<b>Thursday, June 12</b>	<b>EMTA Forum in Zurich</b> <b>Sponsored by BofA Securities</b> <b>Zurich Marriott Hotel</b> <b>Nuemuehlequai 42</b>
<b>Wednesday, June 18</b>	<b>EMTA Seminar: Recent Developments in EM Debt Restructurings</b> <b>Sponsored by White &amp; Case</b> <b>5 Old Broad Street</b> <b>London</b>
Thursday, June 19	Recommended Market Close (NYC/London) Juneteenth Holiday
<b>Tuesday, June 24</b>	<b>EMTA Summer Forum</b> <b>Hosted by BofA Securities</b> <b>2 King Edward Street</b> <b>London</b>
Thursday, July 3	Recommended 2:00 p.m. (NYC) Early Market Close
Friday, July 4	Recommended Market Close (NYC/London) Independence Day
Monday, August 25	Recommended Market Close (London) Summer Bank Holiday
Monday, September 1	Recommended Market Close (NYC/London) Labor Day
<b>Tuesday, September 9*</b>	<b>EMTA Fall Forum</b> <b>Sponsored by IVO Capital Partners</b> <b>Paris</b>
<b>Thursday, September 11</b>	<b>EMTA Forum on Argentina</b> <b>Sponsored by Balanz</b> <b>International Institute for Strategic Studies</b> <b>6 Temple Place</b> <b>London</b>
<b>Tuesday, September 16</b>	<b>EMTA Forum on the Frontier Credits</b> <b>Hosted by Artisan Partners</b> <b>53 State Street</b> <b>Boston</b>

\*Details TBA

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<b>Thursday, September 18</b>	<b>EMTA Forum on Argentina</b> <b>Sponsored by PPI</b> <b>ISDA Conference Center</b> <b>10 East 53rd Street, 8th Floor</b> <b>New York City</b>
<b>Thursday, September 25</b>	<b>EMTA Forum on Sub-Saharan Africa</b> <b>Sponsored by ICBC Standard Bank</b> <b>International Institute for Strategic Studies</b> <b>6 Temple Place</b> <b>London</b>
<b>Tuesday, September 30</b>	<b>EMTA Forum on Türkiye</b> <b>Sponsored by BofA Securities</b> <b>2 King Edward Street</b> <b>London</b>
Monday, October 13	Recommended Market Close (NYC/London) Columbus Day
<b>Wednesday, October 29</b>	<b>EMTA Corporate Bond Forum</b> <b>Sponsored by Fitch Ratings</b> <b>Hearst Tower</b> <b>300 West 57th Street</b> <b>New York City</b>
Tuesday, November 11	Recommended Market Close (NYC/London) Veterans Day
<b>Tuesday, November 18*</b>	<b>EMTA Forum in Johannesburg</b> <b>Sponsored by ICBC Standard Bank</b>
<b>Thursday, November 20*</b>	<b>EMTA Forum in Cape Town</b> <b>Sponsored by ICBC Standard Bank</b>
Wednesday, November 26	Recommended 2:00 p.m. (NYC) Early Market Close
Thursday, November 27	Recommended Market Close (NYC/London) Thanksgiving Day
Friday, November 28	Recommended 2:00 p.m. (NYC) Early Market Close
<b>Wednesday, December 10</b>	<b>EMTA Annual Meeting</b> <b>Sponsored by BofA Securities</b> <b>One Bryant Park</b> <b>New York City</b>
Wednesday, December 24	Recommended 2:00 p.m. (NYC) Early Market Close
Thursday, December 25	Recommended Market Close (NYC/London) Christmas Day
Friday, December 26	Recommended Market Close (London) Boxing Day
Wednesday, December 31	Recommended 2:00 p.m. (NYC) Early Market Close
Thursday, January 1, 2026	Recommended Market Close (NYC/London) New Year's Day (2026)

\*Details TBA